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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. P. 5265—*Legis.* 37-39-1, *dated Bangalore, the* 3*rd February* 1940.

In exercise of the powers conferred by section 24 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja of Mysore are pleased to make the following rules for carrying out the purposes of the said Act.

By Order,

C. SUBRAHMANYA AIYAR,
Secretary to Government,
Law Department.

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THE MYSORE MONEYLENDERS RULES, 1940.

I. Preliminary.

1. (1) These rules may be called the Mysore Moneylenders Rules, 1940.

(2) They shall come into force on and from the 1st day of April 1940.

2. In these rules, unless there is anything repugnant in the subject or context,—

(*a*) "the Act" means the Mysore Moneylenders Act, 1939;

(*b*) "the Schedule" means the Schedule annexed to these rules;

(*c*) "authorised agent" means an agent acting under a power of attorney; and

terms defined in the Act shall convey the same meaning when used in these rules.

II. Registration.

3. The Register of Moneylenders prescribed by section 4 of the Act shall be maintained in Form I of the Schedule. The name and particulars of each moneylender shall be entered therein in the order of registration on separate pages. He shall be assigned a number in a consecutive series commencing and ending with the calendar year, the same number being given to his Registration Certificate also.

4. (*a*) An index to the Register of Moneylenders shall be prepared in English in duplicate on loose sheets lettered alphabetically and shall contain the particulars shown in Form II of the Schedule.

A fresh index shall be prepared for each calendar year. The name of each moneylender shall be indexed as soon as the entries relating thereto are made in the Register of Moneylenders.

(*b*) The duplicate copy of the index shall be sent to the District Magistrate of the District within which the Registrar exercises jurisdiction as soon as an entry is made therein.

(*c*) After the names of all the moneylenders registered in a year have been indexed, the index shall be

checked by the Registrar who shall add a certificate in token of such check and the pages shall then be numbered in ink.

(*d*) The index for each year shall, after it has been checked, be bound into volumes of convenient size.

(*e*) The District Magistrate shall, at the end of each calendar year, make from the duplicates of the several indexes received by him, a list of all moneylenders registered in his district in alphabetical order and send a copy of the list to Government not later than the end of January of the next succeeding year.

5. Every application, for registration under section 5 of the Act shall be made in Form III of the Schedule, to the Registrar appointed for the area in which the principal place of business of the moneylender is situated or in which he intends to carry on the business of moneylending.

A moneylender who is carrying on the business of moneylending on the date on which these rules came into force may apply for registration at any time within fifteen days of such date.

6. Every such application for registration shall be made on Mysore Stamp Paper of the value of rupees three and shall be signed and verified in the manner provided in the Code of Civil Procedure, 1911, for the signature and verification of pleadings.

7. Every such application shall be accompanied by an affidavit stating whether any Court has made any order in relation to the applicant under section 19 or section 20 of the Act.

8. Every application for registration shall be presented by the applicant in person or by his authorised agent, provided that in the case of a firm any one of the partners may present it.

The application shall be presented at any time during working hours on any working day.

9. If the Registrar, after such enquiry as he deems fit about the place of business of the moneylender, considers that he is not the proper authority to receive the application, he shall return the same for presentation to the proper authority.

10. On the receipt of an application, the Registrar shall endorse on it the date of its presentation and shall duly punch and cancel the stamp and put his initials and the date across it. If he finds after making such enquiries as he deems fit, that the registration of the moneylender

will not offend against any order made under section 19 or section 20 of the Act, he shall enter the name of the moneylender in the Register prescribed by rule 3 of the rules.

11. On registration of the applicant's name under the preceding rule, the Registrar shall issue a Certificate in Form IV of the Schedule to the moneylender or his authorised agent.

12. The procedure set out above for registration of a moneylender shall be followed in the case of an application for renewal of registration also:

Provided that rule 7 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application;

Provided further that the Registration Certificate already issued to him shall be surrendered and accompany the application for renewal.

13. When a moneylender whose name is registered under the provisions of section 4 of the Act ceases to carry on the business of moneylending, he may apply to the Registrar who issued the Registration Certificate to cancel his registration and shall surrender the Certificate.

14. On receipt of such application, the Registrar shall cancel the Certificate by endorsing on it in red ink the words "CANCELLED" under his signature and with the date of so doing and shall lodge the cancelled Certificate in the records. The Registrar shall next make an entry in the Register of Moneylenders indicating the fact of cancellation and the date thereof.

III. Licensing.

15. No application for the grant of a licence shall be made unless the applicant has been registered as a moneylender under section 5 of the Act.

16. Applications for the issue of a licence shall be made in Form V of the Schedule to the Registrar who issued the Registration Certificate.

17. The provisions of rule 6 regarding signature and verification shall apply to applications for the grant of a licence also.

18. The fee for the grant of a licence shall be rupees five only and shall be paid into the State Huzur Treasury or any District or Taluk Treasury, the receipt

therefor being sent with the application, or by the purchase of Mysore Court Fee Stamps of the value of rupees five which shall be affixed to the application.

19. Every such application shall be accompanied by an affidavit stating whether any Court has made any order in relation to the applicant under section 19 or section 20 of the Act.

20. After verifying whether the applicant has a subsisting Registration Certificate and after making such enquiries as he deens fit, if the Registrar is satisfied that there are no grounds for refusing the grant of a licence, he shall issue a licence in Form VI of the Schedule and shall also immediately make an entry in the Register against the name of the moneylender showing the grant of the licence and the date of issue of the same.

21. Every licence shall be current for one year from the date of its issue and shall be valid only within the Revenue District within which the principal place of business of the moneylender is situate or within which he intends to carry on the business of moneylending.

22. The Registrar may, however, after making such enquiries as he may deem fit of other Registrars in other districts, extend the validity of the licence to any other district or districts, if the applicant so desires, on payment of a licence fee of rupees two a year for every such district to which he wants the licence to be extended, subject to a maximum of rupees fifteen a year (including the initial fee of rupees five) for the whole State, the payment being made in the manner prescribed by rule 18:

Provided that in no case shall a licence be extended beyond one year from the date of its original issue.

In every case of such extension the Registrar shall send to the Deputy Commissioner or Deputy Commissioners of the other district or districts, as the case may be, intimation in writing of such extension giving particulars about the name of the moneylender, the number of his Registration Certificate and licence and the dates of their issue.

23. The procedure set out above for the issue of a licence shall be followed in the case of an application for renewal:

Provided that rule 19 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application.

24. Each licence shall be given a number corresponding to the number of the Registration Certificate on which the Licence is issued, and the date of expiry of the Licence and the district or districts in which it is valid shall be entered boldly on the face of the licence in the places assigned to them.

25. When a Court cancels the registration or licence of the moneylender under section 19 or section 20 of the Act but not permanently, it shall be competent to the moneylender to make a fresh application for registration or for the issue of a Licence, as the case may be, in conformity with the rules set out above in that behalf, after the expiry of the period for which the registration or Licence would have been valid if it had not been cancelled :

Provided that the moneylender produces with his application a certified copy of the order of the Court cancelling his registration or licence.

IV. Regulation of Accounts.

26. Every moneylender shall keep his accounts in Form VII of the Schedule, in bound books, the pages being stitched and bound together and not being detachable. The pages should also be consecutively numbered.

27. Every moneylender shall keep a separate account in respect of each loan.

28. The name and address of the debtor and in the case of joint-debtors, of each joint-debtor shall be entered at the head of the account.

29. Each entry in an account shall be dated with the date of the transaction to which it relates and shall, as far as possible, be made on such date, but never later than the next working day.

30. The account shall show the balance of account of the principal and interest outstanding against the debtor on the 31st day of December of every year and shall also show the balance outstanding on the date of any statement of account prepared in accordance with sub-section (1) of section 11 of the Act.

31. Accounts may be kept by a moneylender in the language usually employed by him in keeping his accounts, the script and numerals being the same as those ordinarily used with the particular language employed :

Provided that where the language employed is other than English or Kannada, the receipt to be given to the

debtor as well as the statement of account to be furnished to him under section 10 or section 11, as the case may be, of the Act shall be only in English or Kannada ;

Provided further that where an English or Kannada translation of the original statement of account is furnished to the debtor or where a receipt is given to him, the moneylender shall affix at the end of such translation a certificate to the effect that it is a true translation of the original. If a third person is responsible for the translation, the certificate should be signed by him also.

32. Where there are two or more joint-debtors, the creditor shall, in the absence of an agreement to the contrary, give the receipt to the joint-debtor named first at the head of the account or to his agent.

33. The statement of account to be furnished to a debtor under sub-section (1) of section 11 of the Act shall be in Form VIII of the Schedule.

34. The fee which may be charged by a creditor for a statement of account shall be annas four. The fee shall be charged separately in respect of each loan and each requisition.

The fee shall be entered in the account and shall be recoverable by the creditor as if it were included in the loan but no interest shall be charged thereon.

35. The statement of account shall be sent to the debtor by registered post, acknowledgment due, to the address given in the requisition made by the debtor.

In the case of joint-debtors, the statement of account shall, in the absence of an agreement to the contrary, be sent in the manner laid down above to the joint-debtor named first at the head of the account.

36. Notwithstanding anything contained in rule 35, if the debtor or in the case of joint-debtors the joint-debtor named first at the head of the account, agrees in writing to the statement being delivered personally, it shall not be necessary to send it by registered post.

37. Where a debtor or joint-debtor takes personal delivery of the statement of account, he shall acknowledge the receipt of the same in writing.

The debtor or the joint-debtor, as the case may be, shall sign the acknowledgment, or if he is illiterate affix his thumb impression thereto.

38. The postal, registration and acknowledgment charges incurred under rule 35 shall be entered in the account and shall be recoverable by the creditor as if such

charges were included in the loan, but no interest shall be charged thereon.

39. If the statement of account is sent by registered post, the production of the postal receipt and acknowledgment shall be sufficient proof of the sending of such statement.

40. The sum which may be charged by a pawn-broker for a copy of the entries in his account delivered by him to the pawner under sub-section (2) of section 12 of the Act shall be one anna.

V. Application to Government and Fee therefor.

41. An application to the Government by a money-lender under section 21 of the Act to remove a disqualification imposed on him by a Court under section 19 or section 20 of the Act shall be in Form IX of the Schedule.

42. A fee of rupees two shall be paid on every such application by affixing Court Fee Stamps of that value to the application.

43. A copy of the order of the Court imposing the disqualification shall invariably accompany the application.

VI. Penalties.

44. Any breach of any of these rules or of any condition imposed under any of the Forms of the Schedule shall be punishable as if under section 20 of the Act.

FORM I. 120

(See Rule 3.)

REGISTER OF MONEYLENDERS.

(MAINTAINED UNDER SECTION 4 OF THE MYSORE MONEYLENDERS ACT, 1939.)

1. Serial number of moneylender.
* 2. Name of moneylender.
3. Date of registration.
4. Address of moneylender.
5. Principal place of business of the moneylender.
6. Other places of business of the moneylender, if any.
† 7. Order of Court, if any, under section 19 or section 20 of the Act.
† 8. (*a*) Whether Licence is issued to the moneylender.
(*b*). If so, date of issue of—
(i) First Licence.
(ii) Renewal.
(iii) Renewal.
9. Remarks.

Signature.

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* If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager to Agent should be given against item (2) above.

† When these entries are made after the moneylender has been registered, they should be initialled by the officer making them.

FORM No. II.

(See Rule 4.)

INDEX TO THE REGISTER OF MONEYLENDERS.

(TO BE IN DUPLICATE)

Page No.

Name of Moneylender	Principal place of business	Other places of business, if any	Volume No.	First page of entry	Number borne on Register	Date of Registration	Remarks

Signature.

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FORM III.

(See Rule 5.)

APPLICATION FOR REGISTRATION AS A MONEYLENDER.

To

The Registrar of Money lenders at.....

$\frac{\text{We}}{\text{I}}$ desire to be registered as a moneylender under Section 5 o the Mysore Moneylenders Act, 1939.

*1. Applicant's name.
2. Address.
3. Principal place where he intends to carry on business.
4. Other places of business, if any.
5. Whether affidavit under Rule 7 has been attached.
6. Remarks.

Place..... Signature.

Date.....

Verification.

Place.....

Date..... Signature.

*If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager or Agent should be given against item (1) above.

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FORM IV.

(See Rule 11.)

CERTIFICATE OF REGISTRATION UNDER THE MYSORE MONEYLENDERS ACT, 1939.

Certificate No. of....(place of issue)... ..dated .....

I.... (name) ..Registrar of Moneylenders at ...(place of issue)....do hereby certify that ...(name of moneylender).....has been duly registered as a moneylender under section 5 of the Mysore Moneylenders Act, 1939, and is authorised to carry on business as a Moneylender at.....(principal place of business).....and at..... (other places of business, if any) .....subject to the provisions of the said Act and the Rules framed thereunder and also to the following conditions :—

1. This certificate should be exhibited at a conspicuous place within the principal place of business of the moneylender.
2. A correct account should be kept of the daily transactions of the principal place of business and of the other places of business, if any, and the books of account should be open for inspection by an Inspecting Officer at any time.
3. This certificate should not be transferred or sold. Nor should it be amended.
4. All corrections in this certificate should be made and attested by the authority who issued the certificate.
5. Breach of any of these conditions or of any of the provisions of the Mysore Moneylenders Act, 1939, or of any of the rules issued thereunder will entail the penalties that may be imposed under that Act or the Rules thereunder.

Signed.

Registrar.

Date..... ..... (Place).. ....

FORM V.

(See Rule 16.) 124

APPLICATION FOR LICENCE UNDER THE MYSORE MONEYLENDERS ACT, 1939.

To

The Registrar of Moneylenders at.....

$\frac{\text{We}}{\text{I}}$ desire to be licenced to carry on the business of moneylender under Section 7 of the Mysore Moneylenders Act, 1939.

*1. Applicant's name.

2. Whether applicant has a subsisting Registration Certificate.

3. Number of the Registration Certificate, place of issue and date.

4. Address.

5. Principal place of business.

6. Other places of business, if any.

7. Whether affidavit under Rule 19 has been attached.

8. Remarks.

Place..... Signature.

Date.....

Verification.

Place..... Signature.

Date.....

*If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager or Agent should be given against item (1) above.

FORM VI.

(See Rule 20.)

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LICENCE UNDER THE MYSORE MONEYLENDERS ACT, 1939.

Licence No. of.....(place of issue).....dated.....

Date of issue. Date of expiry.

District of Validity.

District or districts to which extended.

I.....(name)...Registrar of Moneylenders at...(place of issue)..... do hereby certify that.....(name of moneylender).....having been duly registered as a moneylender under Section 5 of the Mysore Moneylenders Act, 1939, is hereby licenced to carry on the business of moneylending within the District of.....(name of District).....at..... (principal place of business).....and.....(other Districts, if any and other places of business, if any).....subject to the provisions of the Act and the rules made thereunder and also to the following conditions :—

1. This Licence should be exhibited at a conspicuous place within the principal place of business of the moneylender.
2. A correct account should be kept of the daily transactions of the principal place of business and of the other places of business, if any, and the books of account shall be open for inspection by an Inspecting officer at any time.
3. This licence should not be transferred or sold. Nor should it be amended.
4. All corrections in this licence should be made and attested by the authority who issued the licence.
5. This licence should be produced before any court which requires its production.
6. Breach of any of these conditions or of any of the provisions of the Mysore Moneylenders Act, 1939 or of any of the rules issued thereunder will entail the penalties that may be imposed under that Act or of the Rules thereunder.

Signed.

Registrar.

Date..... ...(Place)...

Space for endorsement by Court under section 19(2) of the Act.

Signature of Presiding Officer

Seal of the Court

Designation.

Date.....

FORM VII.

(See Rule 26.)

FORM OF ACCOUNTS OF A MONEYLENDER.

(TO BE MAINTAINED UNDER SECTION 9 OF THE MYSORE MONEYLENDERS ACT, 1939.)

ACCOUNT OF.....(Name of debtor).....son of..... Caste.....Residence.....

Name and address of owner of article pawned..... (In the case of pawnbrokers and where the pawner is not the owner of the article pawned).

Full and detailed description of article or each of the articles pawned..... (Only in the case of pawnbrokers).

Opening Balance..... (As on the date of the 31st December of the last preceding year or on the date of the las statement of account if any, whichever is the later).

Principal.....

Interest.....

Dr. Cr.

Date		Particulars of advance in figures	Rate of interest	Amount of interest charged	Date	Particulars of repayment in figures	Appropriation	
Of transaction	Of entry						Principal	Interest

Principal..... Interest..... * Balance outstanding on the 31st December.....

Add opening balance as above. .....

Total

Signature of Creditor.

* Where a statement of account is furnished to the debtor under Section 11 (1) of the Act, the account should be closed and the balance struck as on that date.

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FORM VIII.

(See Rule 33.) 127

STATEMENT OF ACCOUNT TO BE FURNISHED TO A DEBTOR.

(UNDER SECTION 11 (1) OF THE MYSORE MONEYLENDERS ACT, 1939.)

Account of .....(name of debtor) .....

Son of.....Caste.....

Residence .....

Opening Balance..... (as on the date of the last statement of account, if any, or on the 31st December of the last preceding year.)

Principal.

Interest.

Dr. *Cr.*

Date	Particulars of advance	Rate of Interest	Amount of interest charged	Date	Particulars of repayment	Appropriation	
						Principal	Interest

Signature.

Where the accounts are kept in a language other than English or Kannada, this statement of account should be a true translation of it and a certificate to that effect should be affixed to it signed by the moneylender and if made by a third person, by him also. (See Rule 31.)

FORM IX.

(See Rule 41.) 108.

APPLICATION TO GOVERNMENT FOR REMOVAL OF DISQUALIFICATION.

BEFORE THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Petition No. ..... of.....under the Mysore Moneylenders Act, 1939.

Petitioner (name and address).....
.....

Under Section 21 of the Mysore Moneylenders Act, 1939, the petitioner abovenamed begs to state as follows :—

(Here set out the facts.)

(Next set out the grounds on which the removal of disqualification is claimed.)

Wherefore the petitioner prays that the disqualification imposed on him by.....(name of Court)..... may be removed.....(or any other prayer that the petitioner desires to make).....

Place..... Petitioner.....

Date.....

Verification.

Place..... Petitioner.....

Date.....

A Court Fee Stamp of the value of rupee two should be affixed to the petition.